

INFORMATION REPORT INFORMATION REPORT

CENTRAL INTELLIGENCE AGENCY

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S-E-C-R-E-T

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COUNTRY Poland

REPORT

SUBJECT Import and Export of Coal, ARBT.
Cooking coal reserves in south Poland.
planned production ✓

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THIS IS UNEVALUATED INFORMATION.

information on the Polish coal industry

statistics on the following: Polish export of bituminous coal, Polish import of combustibles, import and export of combustibles, average prices of Polish coal exports

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INFORMATION REPORT INFORMATION REPORT

22 December 1961

SUBJECT: Import and Export of Polish Coal

1. Attached are four tables of statistics dealing with the import and export of Polish coal.

2. [] coal, which has in the past comprised a major portion of Poland's export trade (43.7% of exports in dollar value in 1956), has steadily declined until in 1960 it accounted for only 21.7% of exports in dollar value. [] Poland has probably reached a plateau in its coal export and is not able to greatly increase its export tonnage. However, the decline in the free market price of coal (from an average of 12.30 in 1958 to 8.68 per ton in 1960) poses a major problem to Polish efforts to obtain Western credits. Also aggravating this problem is the USSR's continual pressure to divert more and more exports to the Bloc area. The USSR would like to see 60-70% of Polish exported coal going to the Bloc. The Poles thus far have been able to persuade the Soviets of the need for foreign credits maintaining approximately a 50/50 balance between trade with the West and with the Bloc. Under Stalin this situation was not tolerated and Poland was in those days ordered to divert coal to the Sov Bloc. This problem can now be negotiated but Poland in the last analysis is always subject to economic pressure from the USSR.

3. [] relative stability of the price per ton inside the Bloc area [] averaged \$16.12 in 1958, \$16.10 in 1959 and \$16.06 in 1960. A CEMA committee established the Bloc coal price in circa 1956 based on the international coal price as of 1953 or 1954 less 10-15% to encourage intra-Bloc trade. The small variations in price from year to year are due primarily to sorting by size.

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4. Despite its large coal production and export, Poland has little coal suitable for coke and has had to rely heavily on imports to keep its coking ovens and furnaces in operation. Apparently [redacted] the CEMA planners in planning construction of coke oven and blast furnace facilities failed initially to consider the fact that coke requires a special type of coal presently unavailable in Poland. (457,200 tons of coking coal were imported by Poland during the first half of 1961). The Poles hoped at first to relieve the coking coal problem by importing coal [redacted]

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A 40-60 mixture, [redacted] was the limit of profitability.

5. Polish coking coal of good quality has now been located in the southern part of Poland along the Czech border and approximately 15 mines are under construction in that area. By 1963-64 the first of these mines should be in production, thus relieving the pressure on importing. By 1965-66 [redacted] it will no longer be necessary for Poland to import coking coal. Total production from this new mining complex is estimated at 1-2 million tons per year.

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6. The importation of ~~Polish~~ ^{Brown} coal (brickettes), listed in Table II, is almost entirely derived from shipping Polish ~~Brown~~ ^{Brown} coal across the border into East Germany where it is pressed into brickettes and then returned to Poland.

7. The statistics concerning export of Polish coal to the USSR, listed in Table I, ~~is~~ ^{are} misleading [redacted] as only a very small portion of this coal actually goes to the USSR. The USSR directs this coal to other East Bloc countries and it never enters Soviet territory. What negligible amounts of coal the USSR does import from Poland is 60% run-of-the-mine and 40% sorted, primarily for use on railroads and in electric power production almost exclusively along the Polish/USSR border which is far removed from the sources of USSR coal.

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TABLE IPOLISH EXPORT OF BITUMINOUS COAL
(in millions of tons)

<u>TO</u>	<u>1945-59</u>	<u>1960</u>	<u>1st Half 1961</u>
<u>East Bloc Countries</u>	184.4	8.5	4.3
including USSR	104.-	4.5	2.4
DDR	35.2	2.-	.8
CSR	38.7	1.4	.7
OTHERS	6.5	.6	.4
<u>Central European Countries</u>	17.3	1.1	.5
<u>All Others</u>	11.8	COKE 1.2	COKE .7
<u>Total Export</u>	301.6	25.6	17.5
includes East Bloc	184.4	20.7	8.5
All Others	117.2	4.9	2.1

(The figures for coke export listed in the totals are not included in the total bituminous but are in addition to it.)

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TABLE II

POLISH IMPORT OF COMBUSTIBLES
(in thousands of tons)

	<u>1959</u>	<u>1960</u>	<u>1st Half 1961</u>
Brown Coal (Brickettes)	1,313.2	409.1	398.4
Coking Coal *	895.3	775.9	457.2
Raw Petroleum	692.5	713.9	No Figures
Coke	No Imports	112.1	No Imports
Other Liquid Combustibles (Gasoline, Kerosene, Parafin, etc)	1,510.9	1,790.1	No Figures

* Almost all coking coal, types 34-27, presently imported by Poland comes from the USSR. The tonnage amounts to approximately 3/4 million tons annually. Three or four years ago Poland, on a one-time purchase basis, obtained 350,000 tons of coking coal from East Germany.

At the present time Poland is importing no coking coal from East Germany.

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TABLE IIIIMPORT AND EXPORT OF POLISH COMBUSTIBLES
(Expressed in Millions of Dollars)

	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>
<u>Total Polish Exports</u>	985.	977.	1,059.	1,145.	1,325.
Above total includes combustible solids (coal, coke, brickettes, browncoal) in following amounts	430.	383.	306.	278.	279.
Percentage of Total Exports represented by solid combustibles	43.7%	39.3%	28.9%	24.9%	21.7%
Combustible solids export represented by coal only	372.-	305.	234.	212.	215.-
Using 1956 as base for coal export	100.-	82.	63.	57.	58.
<u>Total Polish Imports</u>	1,022.	1,252.	1,226.	1,419.	1,495.
Total includes combustibles and electric power import in following amounts	48.	79.	85.	114.	116.
Using 1956 as base for combustibles and electric power import	100.-	164.5	177.4	237.5	241.6

TABLE IVAVERAGE PRICE OF POLISH COAL EXPORTS
(in Dollars per Ton)

	<u>1958</u>	<u>1959</u>	<u>1960</u>
AVERAGE PRICE OBTAINED	13.80	13.44	12.26
Average includes following prices obtained in East Bloc	16.12	16.10	16.06
Average includes following prices obtained in other countries	12.30	10.25	8.68